

An Explorative Reading on Emerging Trends of Rural Marketing

Suhair TP

World marketing is on the path of progress and this progress wouldn't be achieved without taking into consideration its rural population. Rural world is emerging very fast in all aspect of life. Education level, living standards, purchasing power, road links to the cities and highways, availability of the electricity and means of transportation and communication has undergone a drastic change. Now rural consumers need not to go to a nearby city to buy branded products and services. The wide spread reach and telecast of the regional programmes on television, availability of the dish TV, has made a customer in rural world quite literate about various products that are available in the market place.

A farmer today wears the branded jeans, talks on a mobile phone, owns a car, motorbike, has got TV, music systems, DVD players in their houses. And because of this changed scenario, today's marketers are eying on the rural markets in a big manner and are leaving no stone un-turned to make their presence felt in the rural world. Earlier marketers used van campaigns, cinema commercials and a few wall paintings to entice rural folks under their folds but today the scenario is completely changed. Various studies have pointed out that shown that the urban consumer is no longer a brand loyal consumer but the rural consumer has a very high degree of brand loyalty though a rural customer do not understand what exactly is a brand but he/she identifies the product with a name by which the company is promoting it.

Trends indicate that the rural markets are coming up in a big way and growing twice as fast as the urban, witnessing a significant rise in the sales of white goods, FMCG products, automobiles, mobiles etc. According to a Census 2016, population of urban area are 299,119,689 and rural population are 750,490,639. A recent study by NCAER (National Council for Applied Economic Research) reveals that the number of middle households in rural area is expected to grow from 172 Million to 210 Million by the end of 2017 as compared to nearly 90 million of urban India.. Thus, the absolute size of rural world is expected to be double that of urban world with the highest growth rate in the necessary household items and then in the electronics products like TV, washing machines, fridges etc.

I. EMERGING TRENDS

1. The change in consumption pattern: The consumption pattern and life style among rural consumers is changing due to exposure to media. Media particularly TV has been a great leveler. Even in small villages, people who have seen the urban lifestyle on television seem to want similar goods and services. On the consumption front, 33% of rural consumers are eating biscuits and bread for breakfast. Instant noodle sales are double in rural India compared to urban. Seemingly 'urbane' brands in categories like deodorant and fabric softener are growing much faster in rural India than urban and 17% of rural buyers of hair dye now use colors other than black to indulge in the trend of externalized beauty that is picking up fast in rural areas. Companies have realized this and are going all out to tap this latent demand.

2. Increased level of education and employability of rural youth: Villagers realized their children education is the first priority. Most of the rural youth especially teenagers are well aware of products due to their school education and media exposure. Significant progress on literacy levels – 90% of the villages have a primary school within a 1 km walk. Private school enrolment in rural world has enhanced by 5.5% points over past six years. The literacy rate has also gone up by 68.91% in rural world. This enhanced the employability of rural youth they are not sitting idle in villages they are motivated to go to nearby towns to find the jobs.

3. Huge in Size: rural market is huge in size because rural population accounts for almost 70% of population as the recent Census 2016, 900 million live in rural world, 45% of rural population includes youth, number of households increased from 33 to 46 crore. The rural market is currently worth approximately USD\$ 10 billion in consumer spending in the FMCG market annually. Food categories are currently driving the bulk of the additional USD\$ 90 billion into the marketplace by 2025.

4. Increased purchasing power: Rural purchasing power has grown faster than urban in the recent years. Rural Indian economy is highly supported by increasing disposable income, Government initiatives and schemes and favorable demographics. As a result, the rural segment of the Indian economy is growing at a pace of 8-10% per annum. Government spending in rural India has tripled over the last four years and is now translating into higher consumer spending. Therefore, rural consumers are consuming more

premium and convenience oriented categories that are typical of their urban counterparts. "Policy measures like the waiver of agricultural loans around US\$ 13.9 billion and the National Rural Employment Guarantee Scheme, which guarantees 100 days of employment to one member of every rural household (NREGS), the Bharat Nirman program with an outlay of US\$ 34.84 billion for improving rural infrastructure etc helped the rural economy.

5. Migration of Rural youth: Rural youth come to cities in search of better jobs. When they travel back home, they carry with them stories of urban lifestyles. Awareness is thus created in the potential markets. Increased contact of rural people with their urban counterparts due to development of transport and wide communication network has influence on rural consumers' life style. Transportation and telecommunication tools are seen as status symbol for the rural youth.

6. The Rural youth will look for a piece of "premium" at an affordable price but the products must not appear "cheap". The classic example is TATA Nano Car; one reason Tata-Nano hasn't taken-off is because it was seen as a cheap car. It indicates that rural consumers seeking a premium, in the sense that they are seeking an upgrade and not value for money. Value has to fall into place but it is one of the drivers, not the only driver. Brands, in the rural space, need to add a bit of imagery to themselves. Those consumers are reaching out to brands that are giving them that sense of premium. Rural India is seeking a sense of moving up in life, a sense of pride. If brand managers believe that rural consumers will buy everything / anything cheap it is absolutely wrong.

Threats in rural marketing

- The Rural marketing environment is complex and is changing continuously. The marketing organization should foresee and adopt strategies to change in requirements in the market. One which doesn't change perishes. An adaptive organization can stand competition or have a modest growth.
- Consumer behavior attitudes personality and mental make ups are unique. The study of behavior is very difficult to evolve marketing mix.
- It is a process of acquiring knowledge about products, product benefits, method of usage and maintenance and also disposal of the products considering low literacy, low awareness, the marketers have to educate the consumers through rural- specific promotion media and methods become tedious task.
- It is also very difficult to identify distribution partners due to their insufficiency of funds.
- Rapid increase in Grey Market size causing a gigantic threat for marketers to tap Rural Market.

II. CONCLUSION

World rural market could have been stronger than the present position, if Indian policymakers have made adequate infrastructure for rural India. Unless the proper infrastructure developed in rural market with sufficient power, water, communication etc at a nominal cost, this demand may not be

sustainable for long. The corporate people should think beyond their products and initiate innovative corporate efforts to replace government intervention for providing basic facilities, for example ITC's e-Choupals, to capture the rural market and stay long over there. Corporate sector needs to realize that to be successful in the rural market, they must go in with clear long term strategy. Marketer must have willingness to invest in rural market with equal importance as they give urban market. Short term promotional efforts may not deliver the desired results in the rural market.

REFERENCES

- [1] Pradeep Kashyap, Siddhartha Raut, The Rural Marketing, 2008, biztantra, New Delhi.
- [2] S. Dhinesh Babu, A. Peer Mohamed Ariff, M. Ravichandran, Emerging Trends in Rural Marketing.
- [3] <http://blog.nielsen.com/nielsenwire/consumer/india%E2%80%99s-rural-fmcg-market-to-grow-to-100-billion-by-2025/>
- [4] <http://www.thehindubusinessline.com/features/brandline/article1543730.ece>
- [5] <http://ingene.blogspot.com/2011/03/tata-nano-story-downfallsaga.html>
- [6] http://www.ibef.org/artdispview.aspx?in=78&art_id=31134&cat_id=938&page=2
- [7] NTT DoCoMo's Tata Deal: Why Global Telecom Firms Want to Dial India.
- [8] <http://online.wsj.com/article/SB125199080965883577.html>.